# IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

## SPECIAL CIVIL APPLICATION No. 9532 of 1998

**For Approval and Signature:**

**HONOURABLE MR.JUSTICE M.R. SHAH**

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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**GUJARAT SMALL INDUSTRIES CORPORATION OFFICER ASSOC - Petitioner(s)**

**Versus**

**STATE OF GUJARAT & 4 - Respondent(s)**

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**Appearance :**

MR DG CHAUHAN for Petitioner(s) : 1,
MR. PRACHCHHAK, ASST. GOVERNMENT PLEADER for Respondent(s) : 1,
RULE SERVED BY DS for Respondent(s) : 2 - 3.
MR PV HATHI for Respondent(s) : 4,
MR DC DAVE for Respondent(s) : 5,

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**CORAM : HONOURABLE MR.JUSTICE M.R. SHAH**

**Date : 02/02/2006**

**ORAL JUDGMENT**

1.By way of this petition under Article 226 of the Constitution of India, the petitioner has prayed for an

appropriate writ, direction or order for quashing and setting aside the propose action of the respondents for taking any decision to wind up the Gujarat Small Industries Corporation Ltd. It is also further prayed to direct the respondents not to take any decision which may adversely affect the existing service conditions of the employees of the Corporation. The petitioner has also prayed for an appropriate writ, direction or order directing the State Government to investigate into the huge financial irregularities made in the Corporation through independent authority and to take appropriate action against the respondent No.5, the then Managing Director of the Corporation, for mismanagement of the affairs of the Corporation and committing financial irregularities and causes huge financial loss to the Corporation.

2.Today when the matter is called out, Shri D.G.Chauhan, learned advocate appearing on behalf of the petitioner has submitted that so far as the prayer in terms of paragraph-25(A) is concerned, in view of the fact that the Corporation is already ordered to be wound up and therefore, the prayer in terms of paragraph-25(A) will not servive and the only prayer, which is now required

to be considered is in terms of paragraph-25(B) directing the State Government to investigate into the huge financial irregularities made in the Corporation through independent authority and to take appropriate action against the respondent No.5. Shri Chauhan, learned advocate appearing on behalf of the petitioner has vehemently submitted that mainly because of the mismanagement of the affairs of the Corporation and committing financial irregularities and causing huge financial loss to the Corporation by the respondent No.5 i.e. Shri Arunkumar Sutaria (I.A.S.), the then Managing Director of the Corporation, the Corporation is required to be wound up and therefore, the State Government is required to be directed to inquire into the matter.

3.Shri D.C.Dave, learned advocate appearing on behalf of the respondent No.5 has opposed the petition and has denied the allegations levelled against the respondent No.5 and has filed detail affidavit-in-reply on behalf of the respondent No.5. It is also further submitted that as such the present Special Civil Application at the instance of the petitioner is not required to be entertained and/or no relief is required to be granted

in the petition at the instance of the petitioner in the present Special Civil Application.

4. Heard the learned advocates appearing on behalf of the parties.

5. It is not in dispute that the Gujarat Small Industries Corporation Limited is ordered to be wound up and the State Government is required to find out the cause and to find out who is in fact responsible and/or what were the causes for which the Corporation is required to be wound up and how the financial condition of the Corporation had worsened. Under the circumstances, without observing anything and/or giving any opinion against any of the respondents, the State Government i.e. Chief Secretary, State of Gujarat is directed to appoint a fact finding Committee/High Power Committee consisting of the concerned I.A.S. Officers to inquire into and to find out the cause which led to wind up the Gujarat Small Industries Corporation Limited and complete the same within a period of 6 months from the date of receipt of this order and submit the report before this Court. It is, however, made clear that this Court has not expressed any opinion on the merits and

the Committee may consider the allegations which are levelled in the present Special Civil Application also. By this order, it may not be construed that this Court has observed anything against the respondent No.5. This Court has merely directed the State Government to appoint a Committee to inquire into and to find out the causes which led to winding up of the Gujarat Small Industries Corporation Limited and to submit its report.

6.With these observation and direction, the present Special Civil Application is disposed of.

Direct Service is permitted.

Office is directed to issue Writ upon the Chief Secretary, State of Gujarat, forthwith for compliance of order passed by this Court passed in the present Special Civil Application.

(M.R.SHAH, J.)

kdc.